

# NC Family to Family Health Information Center

*"A beacon for families of children with special health care needs."*

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Fact Sheet

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## Health Consumer Rights and Related Laws MHPA

**The Mental Health Parity Act (MHPA)** was signed into law in 1996 and requires that annual or lifetime dollar limits on mental health benefits be no lower than any such dollar limits for medical and surgical benefits offered by a group health plan or health insurance issuer offering coverage in connection with a group health plan.

The law requires parity of mental health benefits with medical/surgical benefits with respect to the application of **aggregate** lifetime and annual dollar limits under a group health plan. The law also provides that employers retain discretion regarding the extent and scope of mental health benefits offered to workers and their families (including cost sharing, limits on numbers of visits of days of coverage, and requirements relating to medical necessity).

The law does not apply benefits for substance abuse or chemical dependency.

There are two exceptions under the law:

1. Small employer exemption. MHPA does not apply to any group health plan or coverage of any employer who employed an average of between 2 and 50 employees on business days during the preceding calendar year, and who employs at least 2 employees on the first day of the plan year.
2. Increased cost exemption. MHPA does not apply to a group health plan or group health insurance coverage if the application of the parity provisions results in an increase in the cost under the plan or coverage of at least one percent.

### For More Information

U.S. Department of Labor

1-866-444-3272

[www.dol.gov](http://www.dol.gov)

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